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7 Twist It Up, Inc.

8

9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
WESTERN DIVISION

11 TWIST IT UP, INC., a Delaware
12 corporation,

Case No: 8:24-cv-00736-DMG-ADS

13 Plaintiff,

JOINT RULE 26(f) REPORT

14 vs.

15 **SCHEDULING CONFERENCE**
set for
16 **August 2, 2024 at 09:30 AM**

17 ANNIE INTERNATIONAL INC., a
Pennsylvania corporation and DOES 1-
18 10,

19 Defendants.

Hon. Dolly M. Gee
United States District Judge

1 TWIST IT UP, INC., (“Plaintiff,” “Counter-defendant,” or “TWIST”), and
2 Defendant ANNIE INTERNATIONAL, INC. (“Defendant,” “Counterclaimant,”
3 or “ANNIE”) hereby submit the following Joint Rule 26(f) Report in compliance
4 with the Federal Rules of Civil Procedure:

5 **1. Synopsis**

6 **TWIST’s Position:**

7 TWIST is in the business of providing the manufacture, distribution, and
8 sale of beauty products, specifically including, but not limited to, unique and
9 distinctive hair combs, and shampoos, conditioners and gels.

10 In particular, TWIST has invented, developed and pioneered a widely
11 popular hair twisting system designed to create durable and natural African-
12 American and urban hair coils. TWIST has branded its products under the “Twist
13 It-Up” ® mark and has received wide publicity and fame, including TWIST’s
14 owner appearing on the hit Television show “Shark Tank,” and receiving an
15 investment/business deal with Mr. Mark Cuban (owner of the Dallas Mavericks)
16 (see here: [Twist It Up Get’s A Deal & an UPDATE On Where They Are Now! | Shark Tank US | Shark Tank Global \(youtube.com\)](#)). For example, TWIST has
17 appeared on a popular radio show/podcast with Mark Cuban to promote and
18 market its “TWIST IT UP,” product (see here: [Noel Durity & Mark Cuban On The 'Twist It Up' Comb, Full Time Entrepreneurship Risks, Rewards + More \(youtube.com\) https://www.youtube.com/watch?v=KMFCK_bXJRU](#)). TWIST
19 sells its “TWIST IT UP®” Product nationally through a variety of distributors and
20 retailers, online at its website and through online platforms such as Amazon and
21 Ebay. As a result, TWIST’s “Twist It Up®” hair comb has become a highly
22 successful product and has garnered substantial goodwill and notoriety among the
23 general public and ordinary purchasing consumer.

1 TWIST has invested substantial time and money to develop its innovative
2 products and based on such, Plaintiff owns a robust intellectual property portfolio
3 relating to its “TWIST IT UP®” branded products to protect its investments and
4 ideas. In particular, Plaintiff owns two patents on the Twist It Up ® product via
5 assignment, including but not limited to: 1) U.S. Patent No. 10,799,006 (the “’006
6 Patent”); (2) U.S. Patent Nos. 10,368, 623 (the “’623 Patent”); and (3) a registered
7 trademark, U.S. Registration No. 5,600,888 (the “’888 Registration”) on the
8 “TWIST IT UP” mark in connection with hair combs. TWIST also owns a Trade
9 Dress on the overall appearance and design of its “TWIST IT UP®,” product. An
10 example of Plaintiff’s “TWIST IT UP®” Product is shown below:



23
24 On information and belief, Defendant is in the business of, among
25 other things, beauty and hair products and is a direct competitor of TWIST. As
26 part of their business, Defendant sells, offers to sell, distributes and/or uses a hair

1 comb product, called the “TWIST & PIK” product (“Accused Product/Process”) as
2 shown here:



17 Upon information and belief, the Accused Product directly sold on
18 Defendant’s own website [PrimeX Twist & Pik Comb – Annie International](https://www.annieinc.com/collections/essentials/products/primex-twist-pik-comb)
19 ([annieinc.com](https://www.annieinc.com/collections/essentials/products/primex-twist-pik-comb)) (<https://www.annieinc.com/collections/essentials/products/primex-twist-pik-comb>) sells and distributes this Accused Product/Process through various
20 distributors and retailers across the United States, including online retailers such as
21 Amazon.

22 Upon information and belief, Defendant’s Accused Product contains
23 instructions on its packaging and website as a metal twist comb, that “twist their
24 hair” and displays a picture of how to press the strings into hair for twisting.

25 On October 20, 2023, Plaintiff sent a cease-and-desist letter to Defendant
26 notifying Defendant of TWIST’s ‘623 Patent, ‘006 Patent, trademark and trade
27

1 dress rights, but did not receive any response. On November 23, 2023, TWIST
2 sent a final cease-and-desist letter to Defendant, but again did not receive a
3 response. As a result of Defendant's lack of response to TWIST's cease and
4 desist demands and continued infringing activities, TWIST was required to file this
5 present complaint for patent infringement, trademark infringement, trade dress
6 infringement, and related unfair competition claims.

7 As detailed in TWIST's first amended complaint (DKT 15), Twist contends
8 that Defendant's "Twist & Pik" accused product infringes at least claim 1 of the
9 '006 and '623 patent and that Defendant's infringement is willful. TWIST also
10 contends that Defendant's "Twist & Pik" accused product infringes TWIST's '888
11 Trademark Registration by prominently using the prominent term "Twist," with a
12 silhouette of an African-American male in connection with the substantially
13 similar hair comb, which is likely to confuse the public and ordinary purchasing
14 consumers as to the source of the Defendant's "Twist & Pik" accused product
15 being associated, sponsored, affiliated, and/or connected with TWIST. TWIST
16 contends that the Defendant intentionally infringed TWIST's trademark in order to
17 palm-off the goodwill of TWIST's reputation, success, and notoriety. TWIST
18 further contends that Defendant intentionally infringed TWIST's trade dress by
19 purposefully creating a substantially similar hair comb, with a similar mark
20 ("Twist") and product packaging that incorporates the overall same distinctive
21 circular portable "racket" style head design and product packaging that is likely to
22 cause confusion in the mind of the purchasing public.

23 TWIST also believes that Defendant has falsely patent marked its infringing
24 product in order to unfairly compete with TWIST and seeks to pursue adding
25 additional claims of false advertisement, and false patent marking after conducting
26 some discovery in this matter.

27 **Defendant's Position:**
28

1 Defendant denies the allegations set forth by Plaintiff in the complaint
2 regarding infringement and unfair competition claims. Defendant denies that it has
3 infringed any patent, trademark, or trade dress rights belonging to Plaintiff, and
4 denies that it has any liability to Plaintiff.

5 As detailed in the complaint, Defendant asserts counterclaims for
6 declarations of non-infringement and invalidity against Plaintiff's alleged patents,
7 trademark, and trade dress rights. Defendant further asserts counterclaims against
8 Defendant for the violation of Section 43 of Lanham Act, violation of Unfair
9 Competition Law (Cal. Bus. And Prof. Code §§ 17200 et seq.), Intentional
10 Interference with Prospective Economic Relationship, and Negligent Interference
11 with Prospective Economic Relationship.
12

13 2. **Legal Issues**

14 **TWIST's Position:**

15 This is a case involves the legal issues comprising of: 1). Defendant's
16 infringement of TWIST's patents; 2). Defendant's infringement of TWIST's
17 trademark; 3). Defendant's infringement of TWIST's trade dress; 4). Defendant's
18 unfair competition; 5). Whether Defendant's infringement was willful; 6).
19 Damages; and 7). Injunctive Relief. This case further potentially involves the legal
20 issues of 8). Whether Defendant falsely advertised its accused "Twist & Pik"
21 product; and 9). Whether Defendant falsely patent marked its "Twist & Pik:
22 accused product.

23 **Defendant's Position:**

24 The legal issues in the case concern patent, trademark, and trade dress
25 claims, including infringement/non-infringement and validity/invalidity issues, as
26 well as other issues raised in counterclaims including violation of Section 43 of
27
28

1 Lanham Act, violation of Unfair Competition Law (Cal. Bus. And Prof. Code §§
2 17200 et seq.), Intentional Interference with Prospective Economic Relationship,
3 and Negligent Interference with Prospective Economic Relationship.
4

5 **3. Parties**

- 6 1. Twist It Up, Inc., a Delaware Corporation with its principal place of
7 business located at 251 N. Bush Street, Santa Ana, CA 92701.
8 2. Annie International, Inc., a Pennsylvania corporation having its principal
9 place of business located at 500 Church Rd. North Wales, PA 19454.
10

11 **4. Damages**

12 **TWIST's position:**

- 13 1. Attorney's Fees and costs in prosecuting this lawsuit determined by the
14 hourly fees of TWIST's counsel multiplied by the number of hours spent working
15 on this action, and costs associated with the action.
16
17 2. Actual damages as determined by calculating lost sales. Lost sales may be
18 determined by multiplying the drop in market share that TWIST suffered as a
19 result of Defendant's infringing activity by the total market size for TWIST's
20 products, the product of which, in turn, is multiplied by TWIST's profit margin.
21 Or, lost sales may be determined by taking TWIST's average number of sales of its
22 products at issue over a determined time frame prior to the Defendant's
23 infringement and comparing that number with the average number of TWIST's
24 sales of its products at issue since the infringement; and multiplying that difference
25 by TWIST's profit margin for such products.
26
27 3. Reasonable royalty rate for each sale of each of TWIST's patented
28 products and "TWIST IT UP®" branded products calculated by determining the

reasonable value of a license to TWIST's patent, trademark and/or trade dress rights multiplied by the number of Defendant's sales of its infringing products.

4. Defendant's profits, calculated by determining gross revenue

(Defendant's retail sales price multiplied by number of the sales) earned by the infringing party(ies) from the sale of any infringing products.

5. Diminution in value of TWIST's trademark and trade dress based on the dilution of the trademark and trade dress due to Defendant's infringement.

6. Statutory damages according to 15 U.S.C. § 1117, et seq.

7. Treble damages according to 15 U.S.C. § 1117, et seq., as determined by multiplying the Plaintiff's actual damages by a multiple of 3.

8. Statutory and treble damages according to 15 U.S.C. § 1125.

9. Statutory and treble damages according to 35 U.S.C. § 284.

8. Restitution as determined by calculating the monies which wrongfully taken by Defendant through unfair competition.

Defendant's Position:

Defendant does not believe that Plaintiff is entitled to any damages.

Defendant will seek damages, as provided by the federal and state laws, in an amount to be enhanced/trebled in accordance with such laws including the following:

1. Punitive damages in a sum to be determined at trial, on the basis of Defendant's counterclaims;

2. Any money or property which may have been acquired by Plaintiff by means of unfair competition under Cal. Bus. And Prof. Code §§ 17200 et seq;

3. Economic loss to Defendant, including financial losses, such as lost profits, future contracts, and other economic benefits, as well as compensation for expected profits and benefits that would not have been lost without Plaintiff's

interference with Defendant's economic relationships;

4. Damages available under 15 U.S. Code § 1117 for violation of Section 43 of Lanham Act;

5. Attorney's fees and costs; and

6. Pre-judgment and post judgment interest at the maximum legal rate.

5. Insurance

TWIST's Position:

TWIST is currently unaware of insurance that covers this action.

Defendant's Position:

Defendant is currently not aware of any insurance covering any aspect of this case.

6. Motions

TWIST's Position:

TWIST anticipates the potential of adding additional parties to this matter depending on developments in discovery as to Defendant's partners, retailers, manufacturers and/or distributors that may assisting, contributing, and/or inducing infringement of TWIST's patent, trademark and/or trade dress rights. TWIST further anticipates filing a motion for full or partial summary judgment on issues of infringement.

Defendant's Position:

Defendant has not yet determined whether it expects to file motions seeking to add other parties or claims, or file amended pleadings. Defendant anticipates filing a motion for full or partial summary judgment on issues of non-infringement and invalidity of Plaintiff's alleged patents, trademark, and trade dress.

1 **7. Discovery and Experts**

2 The Parties do not feel the need to set phases for the discovery or limit the
3 discovery in any way beyond the Federal Rules. The Parties' proposed timing for
4 expert disclosures and discovery are set forth in Exhibit A.

5 **TWIST's Position:**

6 TWIST anticipates taking less than five (5) depositions. TWIST anticipates
7 designating several experts on the issue of infringement and damages.

8 **Defendant's Position:**

9 Defendant anticipates taking less than five (5) depositions. Defendant
10 anticipates designating experts on at least the issues of non-infringement and
11 invalidity. Defendant served its First Set of Requests for Production of Documents
12 and Things to Plaintiff on July 17, 2024.

14 **8. Discovery Plan – FRCP 26(f) (3)(A)-(F)**

15 The Parties' discovery plan addressing the FRCP 26(f) (3)(A)-(F) topics is
16 set forth below:

18 **8.1. FRCP 26(f)(3)(A) – Disclosures Under 26(a)**

19 The Parties do not believe that any changes need to be made to the form or
20 requirements for disclosure under Rule 26(a).

21 **8.2. FRCP 26(f)(3)(B) – Scope of Discovery**

22 The Parties anticipate that fact discovery will be needed on all the issues set
23 forth in Plaintiff's operative complaint and Defendant's answer, defenses, and
24 counterclaims. The Parties do not believe it will be necessary to conduct discovery
25 in phases.

26 **8.3. FRCP 26(f)(3)(C) – Electronically Stored Information**

27 The Parties submit that electronically stored information should be produced

in pdf format if possible. In the alternative, upon request by one of the Parties, electronically stored information should be produced in a format that preserves specific and important metadata to the extent possible, because such metadata may be important for a variety of purposes, including follow up discovery, assessing privilege in some circumstances, and authenticating the documents. The documents shall be Bates stamped in a manner that shows which Party produced the document.

8.4. FRCP 26(f)(3)(D) – Privilege and Work Product Issues

The Parties do not anticipate any issues regarding privilege or work product. Regardless, the Parties will seek to resolve such issues as they may arise based on the procedures set forth in a Stipulated Protective Order for discovery matters, described below under FRCP 26(f)(3)(F).

8.5. FRCP 26(f)(3)(E) – Changes to FRCP/Local Rule Limitations on Discovery

The Parties do not believe it is necessary to alter the limitations regarding discovery set forth in the Federal Rules of Civil Procedure or the Local Rules, and do not believe any other limitations on discovery need be ordered at this time.

8.6. FRCP 26(f)(3)(F) – Protective Order

The Parties anticipate that discovery in this case will require each to produce information that may be confidential and/or proprietary. Accordingly, the Parties intend to request entry of a Stipulated Protective Order for discovery matters in this case.

9. Dispositive Motions

The Parties' proposed motion cut-off dates are set forth in Exhibit A.

TWIST's Position:

TWIST anticipates filing a motion for full or partial summary judgment at the end of discovery.

1 **Defendant's Position:**

2 Defendant anticipates filing motions for summary judgment and/or partial
3 summary judgment or other dispositive motions.

4 **10. Settlement and Settlement mechanism:**

5 The Parties' proposals regarding the cutoff date for Settlement Conference
6 are set forth in Exhibit A.

7 **TWIST's Position:**

8 Both parties' owners/decision makers have had some settlement discussions
9 outside the presence of counsel. TWIST has sent Defendant's counsel a formal
10 settlement demand but, to the present date, TWIST has not received any proposed
11 settlement terms our counteroffers from the Defendant.

12 **Defendant's Position:**

13 Defendant proposes ADR procedure before a Magistrate Judge to resolve the
14 issues in the case.

16 **11. Trial Estimate**

17 **TWIST's Position:**

18 Plaintiff anticipates a 5-day jury trial, calling 3 to 6 witnesses. TWIST
19 reserves the right to amend this response as more information comes to light
20 through discovery.

21 **Defendant's Position:**

22 Defendant estimates 5 court days for a jury trial. Defendant currently
23 expects to call 6-8 witnesses. Defendant reserves the right to amend this response
24 as more information comes to light through discovery.

25 **12. Timetable/Proposed Trial Dates**

26 See Attached Proposed Schedule of Pre-Trial & Trial Dates Worksheet.

1 **13. Other issues:**

2 **13.1. L.R. 26-1(e) – Additional Parties**

3 The Parties reserve the right to seek to join additional parties if warranted by
4 the facts and circumstances of the case in accordance with the deadline for such
5 joinder as ordered by the Court.

6 **13.2. Additional Proposals to Streamline the Case and Manage Trial**

7 The Parties agree that all papers will be served by email, and email service
8 shall be deemed hand service for purposes of counting time under the FRCP.

9 **14. Conflicts**

10 **TWIST's Position:**

11 Plaintiff does not have a subsidiary, parent corporations, or affiliates.

12 **Defendant's Position:**

13 Defendant does not have a subsidiary, parent corporations, or affiliates

14 RHEMA LAW GROUP, P.C.

15 Dated: July 18, 2024

16 By /s/ John Tran

17 John D. Tran

18 Rosalind T. Ong

19 Attorneys for Plaintiff/Counterdefendant

20 Twist It Up, Inc.

21 TROJAN LAW OFFICES

22 Dated: July 18, 2024

23 By: /s/ Joseph Trojan

24 R. Joseph Trojan, SBN 137,067

25 Attorney for Defendant/Counterclaimant

26 Annie International, Inc.